



STATE OF NEW JERSEY

Board of Public Utilities

*Two Gateway Center
Newark, NJ 07102
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TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION FOR)
APPROVAL OF THE TRANSFER OF) ORDER OF APPROVAL
CONTROL OF METROMEDIA FIBER)
NETWORK SERVICES, INC., DEBTOR-IN-)
POSSESSION, FROM METROMEDIA)
FIBER NETWORK, INC., DEBTOR-IN-)
POSSESSION, TO A REORGANIZED)
METROMEDIA FIBER NETWORK, INC.)

DOCKET NO. TM03060435

(SERVICE LIST ATTACHED)

BY THE BOARD:

On June 5, 2003, Metromedia Fiber Network Services, Inc., Debtor-in-Possession (MFNS) and its parent, Metromedia Fiber Network, Inc., Debtor-in-Possession (MFN and together with MFNS, the Petitioners), filed a petition with the Board for approval to transfer control of MFNS from MFN to a newly reorganized Metromedia Fiber Network, Inc. (Reorganized MFN) pursuant to a Plan of Reorganization whereby a newly reorganized Metromedia Fiber Network Services, Inc (Reorganized MFNS) will emerge from bankruptcy. Petitioners also note that MFNS intends to change its name to AboveNet Communications, Inc. upon emergence from the bankruptcy. The Petition does not seek to transfer any operating authority.

BACKGROUND

MFNS is a Delaware Corporation, which maintains its headquarters in White Plains, New York. MFNS in turn is a wholly owned subsidiary of MFN, a Delaware corporation also headquartered in White Plains, New York. MFN is the holding company for its operating subsidiaries. As described in the petition, some of the services provided by the MFN companies include dark fiber in major metropolitan areas in the U.S. and Europe, long haul services within the U.S and along transatlantic and transpacific routes, network design and management, web hosting Internet services and IP services. Certain MFN Companies are authorized to provide intrastate interexchange and local exchange telecommunications services in 32 states, including New Jersey. In New Jersey, MFNS is authorized to provide dedicated and private line services. See Order I/M/O the Petition of Metromedia Fiber Network Services, Inc. Requesting Authority to Provide Dedicated and Private Line Telecommunications Services throughout New Jersey, Docket No. TM98040202, dated September 14, 1998.

On May 20, 2002, MFNS as well as MFN and most of MFN's domestic subsidiaries, filed voluntary petitions for reorganization pursuant to Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. On March 13, 2003 MFN proposed its

initial Plan and Disclosure Statement (Plan) for the resolution of outstanding creditor claims and equity interests to the Bankruptcy court and subsequently filed its amended Plan and Disclosure Statement on May 9, 2003. According to the petition, throughout the restructuring process and after emergence from bankruptcy, the MFN companies will continue to offer services to their customers at the same rates, terms and conditions.

Petitioners state that the proposed reorganization will allow MFNS to continue as a strong competitor by providing MFNS with the necessary funding to support its proposed business plan and to expand its operations and services. After emergence from bankruptcy, MFNS will be renamed as AboveNet Communications, Inc., and as Petitioners indicated, will continue to offer service pursuant to the same rates, terms and conditions.

Petitioners have indicated that they are required to obtain approval from, or give notice to, 30 states. Of these, the process has been completed in 18 states. No states have denied the transaction. MFNS has no employees in New Jersey.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board is convinced that, with regard to the provision of service, there will be no negative impact on service to New Jersey customers. All services will continue to be provided to the Petitioners' New Jersey customers without interruption and pursuant to the same tariffs, contracts, rates, terms and conditions in existence prior to the transfer. Moreover, the transfer of control that will result from the transaction will reduce the threat of disruption of service due to MFNS' financial condition.

Accordingly, after careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the transfer is in accordance with law and in the public interest. The Board HEREBY APPROVES the request by Petitioners for this transaction.

DATED: 8/19/03

BOARD OF PUBLIC UTILITIES
BY:

(signed)
JEANNE M. FOX
PRESIDENT

(signed)
FREDERICK F. BUTLER
COMMISSIONER

(signed)
CAROL J. MURPHY
COMMISSIONER

(signed)
CONNIE O. HUGHES
COMMISSIONER

(signed)
JACK ALTER
COMMISSIONER

ATTEST:

(signed)
KRISTI IZZO
SECRETARY